

Message Text

CONFIDENTIAL

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C O N F I D E N T I A L JAKARTA 7883

LIMDIS

E.O. 11652: GDS

TAGS: EFIN, ASEAN, EAID

SUBJECT: PROPOSED DEVELOPMENT ALTERNATIVES INC (DAI) CONTRACT
FOR PROVINCIAL AREA DEVELOPMENT PROGRAM (PDP) I

REF: (A) STATE 144853; (B) JAKARTA 7442; (C) JAKARTA 6904;
(D) STATE 141901; (E) STATE 121042

1. DAI PRESIDENT MICKELWAIT AND USAID PDP PROJECT OFFICER
MINTZ MET WITH ATAR SIBERO AND HIS STAFF PERSON, NAZARUDDIN,
ON JUNE 13 AT 1000 HOURS AT THE MINISTRY OF HOME AFFAIRS.
MINTZ BEGAN WITH A SUMMARY OF THE MAY 24 MEETING AS OUTLINED
REFS B AND C. ATAR SIBERO EMPHASIZED HIS MINISTER'S SENSITIVITY
TO THE INVOLVEMENT OF FOREIGN ADVISORS IN THE POLITICAL INTERNAL
AFFAIRS OF INDONESIA AND ASKED MICKELWAIT FOR A MORE COMPLETE
EXPLANATION OF DAI'S ASSOCIATION IN SOUTHERN PHILIPPINES.

2. MICKELWAIT BEGAN WITH A PRESENTATION OF HIS FIRM'S PUBLIC
SECTOR/RURAL DEVELOPMENT WORK AND THE STAFF DAI HAS ACQUIRED
TO ACCOMPLISH THIS. HE NOTED THAT DAI OFTEN WORKED IN DIFFICULT
AND SENSITIVE ENVIROMENTS, SUCH AS THEIR CURRENT CONTRACT IN
ETHIOPIA. HE THEN PRESENTED DAI'S RECENT EFFORTS TO
DEVELOP COMMERCIAL SECTOR ACTIVITIES IN ITS ATTEMPTS TO
DIVERSIFY ITS PORTFOLIO, INCLUDING THE RECRUITMENT OF
SCHAEFER AND THE ATTEMPTS TO CHANNEL MIDEAST OIL MONEY FOR
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DEVELOPMENT PURPOSES. HE EXPLAINED THAT THEIR WORK IN
SOUTHERN PHILIPPINES STEMMED FROM THIS INTEREST. LETTERS
FROM GOP REAR ADMIRAL ESPALDON TO DAI OFFICER SWEET DATED
OCTOBER 12, 1977; PENDATUN, PRESIDENT MUSLIM ASSOCIATION OF
PHILIPPINES TO SCHAEFER DATED DEC. 11, 1977; COMMENDADOR/
ANDAYA OF GOP SOUTHERN COMMAND HEADQUARTERS TO SCHAEFER DATED
DEC. 24, 1977; AND GOP AMBASSADOR MELCHOR TO SCHAEFER DATED

JUNE 9, 1978 WERE THEN HANDED OVER TO THE MINISTRY OF HOME AFFAIRS OFFICIALS TO DEMONSTRATED AND DOCUMENT THE INTEREST AND SUPPORT HIS FIRM HAS WITHIN THE MARCOS ADMINISTRATION AS WELL AS THE PHILIPPINE-MUSLIM COMMUNITY IN THIS ENDEAVOR. HE ADDED THAT DAI'S CONTRACT WAS ALWAYS WITH THE MODERATE ELEMENTS OF THE PHILIPPINE-MUSLIM COMMUNITY.

3. MICKELWAIT ASSURED SIBERO THAT DAI WOULD, IN NO WAY, BECOME INVOLVED IN THE INTERNAL POLITICAL AFFAIRS OF INDONESIA, THAT SCHAEFER WOULD HAVE NO INVOLVEMENT IN THE INDONESIAN PROGRAM WHATSOEVER, AND THAT ALL ADVISORS TO ASSIST THE PDP I HAVE HAD NO INVOLVEMENT THIS ISSUE IN SOUTHERN PHILIPPINES. MR. SIBERO ACCEPTED THESE ASSURANCES, THANKED MICKELWAIT FOR SEEING HIM AND UNDERSTANDING THE SITUATION IN INDONESIA, AND GAVE HIS APPROVAL FOR PROCEEDING WITH THE CONTRACT NEGOTIATIONS/ EXECUTION. SIBERO STATED THAT HE WAS GLAD THAT SUCH AN UNDERSTANDING WAS REACHED TO AVOID PROBLEMS IN THE FUTURE. MINTZ ADDED THAT IF IT EVER CAME TO USAID/EMBASSY'S ATTENTION THAT AN ADVISOR ASSOCIATED WITH PDP I, OR ANY OTHER USAID ASSISTED ACTIVITY, WAS GOING BEYOND THE BOUNDARIES OF HIS/HER TECHNICAL SCOPE OF WORK INTO POLITICAL AFFAIRS, THAT INDIVIDUAL WOULD BE ASKED TO RETURN TO THE U.S.

4. REQUEST CONTRACT NEGOTIATIONS WITH DAI NOW PROCEED IN EXPEDITIOUS MANNER. SEPTEL TO FOLLOW REGARDING TECHNICAL CONSIDERATIONS FOR DAI CONTRACT, BASED ON ONGOING MICKELWAIT/ CONFIDENTIAL

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USAID DISCUSSIONS JAKARTA.
MASTERS

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